

2014 Annual Report



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ARROWHEAD
CREDIT UNION

2014 ANNUAL REPORT

Summary of Consolidated Financial Statements

Message From the Chairman



On behalf of the Board of Directors, it is our pleasure to serve Arrowhead Credit Union.

As the largest locally controlled financial organization in the Inland Empire, we believe we have a responsibility to give back—to our members and to our community. The financial results you see for 2014 are a reflection of our commitment to serving the best interest of our members.

We are people helping people, and ultimately, it's member service that sets us apart.

As we look to 2015, we remain committed to serving the financial needs of our members through improved products, competitive rates, and truly exceptional service.

Thomas A. Potter
Chairman, Board of Directors

Supervisory Committee Report



The Supervisory Committee is an independent group of volunteers who represent the Credit Union's members. Our role is to ensure that the Credit Union is managed in a manner that is fiscally and ethically sound.

The Committee engaged the CPA firm of Turner, Warren, Hwang and Conrad to perform an independent opinion audit as of December 31, 2014. Their audit report indicates that the financial statements fairly represent the financial condition and operational results of the Credit Union.

This committee also reviews operational, compliance and examination reports to ensure the Credit Union's operations are consistent with applicable laws, rules and regulations. Based on these reviews, it is our opinion that Arrowhead Credit Union is operating in a safe and sound manner, and is compliant with applicable laws, rules and regulations.

James Hale
Chairman, Supervisory Committee

STATEMENTS OF FINANCIAL CONDITION

ASSETS	2014	2013
Cash in Banks & Investments	\$441,449,275	\$400,685,872
Loans - Net of the Allowance for Loan & Lease Losses	388,609,339	346,522,956
Property & Equipment	11,171,412	11,458,421
Other Assets	13,978,558	14,795,499
Total Assets	\$855,208,584	\$773,462,748

LIABILITIES & MEMBERS' EQUITY	2014	2013
Members' Share Accounts	\$726,214,106	\$658,216,079
Other Liabilities	22,297,023	25,077,863
Total Liabilities	748,511,129	683,293,942
Members' Equity	106,697,455	90,168,806
Total Liabilities & Members' Equity	\$855,208,584	\$773,462,748

STATEMENTS OF INCOME

	2014	2013
Interest Income	\$27,570,337	\$27,838,505
Interest Expense	1,322,846	1,459,967
Net Interest Income	26,247,491	26,378,538
Provision for Loan Losses	(2,900,000)	(2,492,000)
Net Interest Income after Provision for Loan Losses	29,147,491	28,870,538
Non-Interest Income	26,726,095	25,904,640
Non-Interest Expense	36,415,660	32,309,658
Net Income	\$19,457,926	\$22,465,520

Turner, Warren, Hwang & Conrad Accountancy Corporation conducted the annual audit of the 2014 financial statements of the credit union. The financial statements above are condensed for readability and do not meet the full disclosure requirements of generally accepted accounting principles, and not presented in their audited format. Full, audited copies of the financial statements are available at Arrowhead Credit Union's administrative office.